MB-102

Sl. No.

I Semester M.B.A. Degree Examination, May/June - 2026

MANAGEMENT

Managerial Economics

(Non-CBCS Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Five sub-questions. Each sub-question carries 3 marks. **(5×3=15)**

1. a) What is price elasticity of demand?

b) Define Demand Forecasting.

c) What is the meaning of economies of scale?

d) Write any three features of oligopoly.

e) What is margin of safety?

f) Define production function.

g) What is GDP?

SECTION - B

Answer any Four questions. Each question carries 5 marks. **(4×5=20)**

2. What are the exceptions of Law of Demand?

3. Explain the various determinants of demand.

4. What are the uses of Break-Even Analysis?

5. Write a note on:

a) Short run profit.

b) Long run profits.

6. Explain the features of monopolistic competition.

7. Mention the various forms of market structure.

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SECTION - C

Answer any Three questions. Each question carries 10 marks. **(3×10=30)**

8. What are iso-quant curves? Briefly explain its properties.

9. Explain in detail the scope of managerial economics.

10. Elucidate how to determine price under perfect competition.

11. Discuss the different survey methods of demand forecasting.

12. Explain the law of variable proportions.

SECTION - D

(Compulsory)

Case Study. **(1×15=15)**

13. Pavan Pvt. Ltd.,was established in 2005. The company started manufacturing of Water Geyser with a brand name of Ganga. During initial 10 years, the company made good profits. But, its profits gradually declined due to competition from national brands. The promoters of the company had a committed team of workers who were constantly working on Research and Development. Finally, they came out in the year 2016, with an innovative product named Maha Ganga which runs event at very low voltage and consumes less electricity. Thus, the company is monopoly manufacturer of "Maha Ganga". The company is currently supplying it products in geographically separated markets at Punjab and Haryana. The company is currently charging the same price in Punjab and Haryana. The Chief Economist of the company has informed the top management that price elasticity of demand at currently charged price is 3 in Punjab and 5 in Haryana. The top management is planning to charge two different prices in Punjab and Haryana in order to make more profits.

Question:

a. Will it be possible for the company to charge two different prices in Punjab and Haryana? If yes, under what conditions? Explain.

b. Will it be profitable for the company to charge two different prices in Punjab and Haryana? Explain.

c. State the factors which give rise to monopoly.
